[English]

Non Voting Shares

4464. SHRI DHIRENDRA AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to allow companies to invest 25% of their total capital in non-voting shares; and

(b) if so, the details thereof and the reasons therefor together with its impacts on the foreign institutional investors?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b). The Government proposes to amend the Companies Act, 1956 in order to provide that companies may issue Non-voting Shares not exceeding 25 per cent of their issued equity share capital with voting rights. This measure would provide an enabling mechanism to the Indian companies to mobilise funds for their projects and activities without diluting the controlling interest of the promoters.

The non-voting shares would carry a higher rate of dividend compared to shares with voting rights. The advantage of a higher return will be available to all investors including the Foreign Institutional Investors, who may like to invest through this instrument.

CPU in Orissa

4465. SHRI BHAKTA CHARAN DAS: Will the Minister of INDUSTRY be pleased to state:

(a) the details of the Central Public Sector Undertakings in Orissa in which the investment level had decreased during the last three years with particular reference to PSUs situated in Nuapara and Kalahandi districts;

(b) whether the capacity and profit of these undertakings have increased;

(c) if so, the details thereof; and

(d) the steps proposed to be taken to increase the capacity and profit of these undertakings?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The following five Central Public Sector Undertakings have their registered offices in Orissa:

1. Mahanadi Coalfields Ltd., Sambalpur
2. National Aluminium Co. Ltd., Bhubneswar
3. Orissa Drugs & Chemicals Ltd., Bhubneswar
4. Paradeep Phosphates Ltd., Bhubneswar
5. Utkal Ashok Hotel Corpn. Ltd., Bhubneswar.

The investment in terms of gross block has not decreased in these enterprises during the last three years except Utkal Ashok Hotel Corpn. Ltd. which showed a marginal decline of only Rs. 2 lakhs in 1994-95 over 1992-93.

(b) to (d). The capacity utilisation and profit/loss of these enterprises are given in Statement 23 and Statement 7-A and 7-B respectively of Volume-I of the Public Enterprises Survey 1994-95, laid in both the Houses of Parliament on 19.7.96.

Three PSUs have earned profits and two PSUs namely, Orissa Drugs & Chemicals Ltd. and Utkal Ashok Hotel Corpn. Ltd. have incurred losses during 1994-95. The Orissa Drugs & Chemicals Ltd. has been registered with BIFR. A revival scheme for this Company has already been approved by BIFR which is under implementation. In case of Utkal Ashok Hotel Corpn. Ltd., the management is preparing a turn around proposal in consultation with the administrative Ministry which include change in equity holding pattern in order to reduce interest burden, renovation of property, increase in room occupancy and sale of food, etc. These steps are likely to increase their overall profitability.

Budgetary Support for Sick P.S.Es

4466. SHRI K.C. KONDAIAH:
SHRI PRADIP BHATTACHARYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to review and resume budgetary support for sick public sector enterprises for their modernisation and survival;

(b) if so, the details therefor; and

(c) the action taken or proposed to be taken in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c). Budgetary support is normally provided to sick public sector enterprises on the basis of their approved turn-around plans, which may include, restructuring their capital base, writing off of loans and outstanding interest, and outright budgetary support wherever unavoidable. Non-Plan support is also provided to deserving P.S.Es. to meet the shortfall in their resources to pay salaries and wages to their employees.

[Translation]

Export of Pulses

4467. SHRIMATI SHEELA GAUTAM:
SHRIMATI BHAVNA BEN DEVRAJBHAI CHIKHALIA:

Will the Minister of COMMERCE be pleased to state: